



The United Kingdom

GLOBAL RESEARCH REPORT

# The United Kingdom: Market Guide to Cross-Border Best Practices

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# Overview of this Report

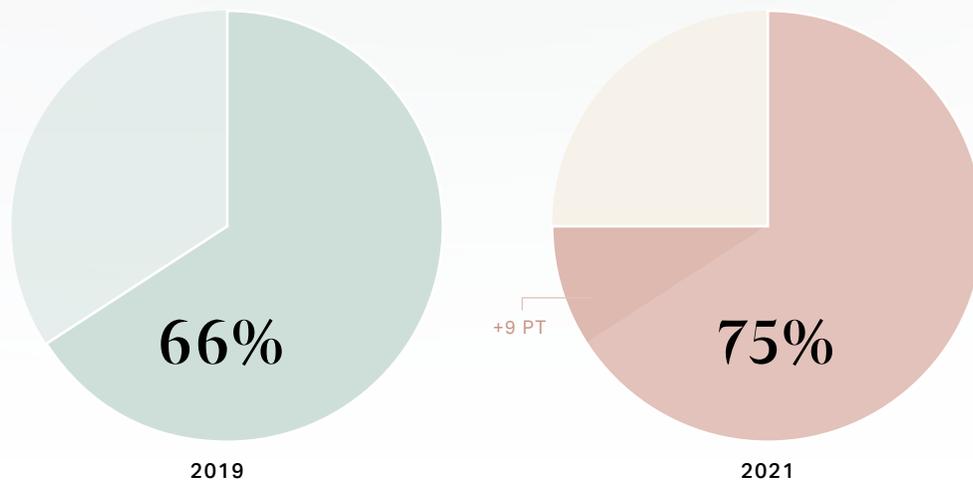
The state of e-commerce is rapidly evolving and it has become increasingly challenging for retailers to keep pace with all the changes in cross-border shopping behaviors and expectations. To that end, Flow commissioned a multi-market research report to uncover patterns in online shopping behaviors for both cross-border and non-cross-border shoppers across the top 8 markets: Australia, Canada, China, France, Germany, Japan, UK and US.

This report examines shopping expectations and behaviors of online consumers in the United Kingdom. The data gathered examines a number of factors across the customer journey, uncovering insights for online retailers looking to create better localized experiences for British shoppers. Additionally, our analysis helps guide brands to discover further opportunities in the UK market by analyzing trends that have emerged as a result of the pandemic. This data is also compared to the information compiled in our pre-pandemic survey, conducted in 2019.

The information here provides an overview of some of the primary data points gathered in our research study. To learn more about consumer preferences in the UK market and to access more information from the study, please contact us today at [hello@flow.io](mailto:hello@flow.io).

# Cross-Border Shopping Habits

Despite Brexit and the pandemic, cross-border shopping is very popular among UK shoppers. In fact, three-in-four UK shoppers (75%) mentioned buying products from retailers outside their home country. This was a significant increase from the results in the 2019 survey (+9pt).

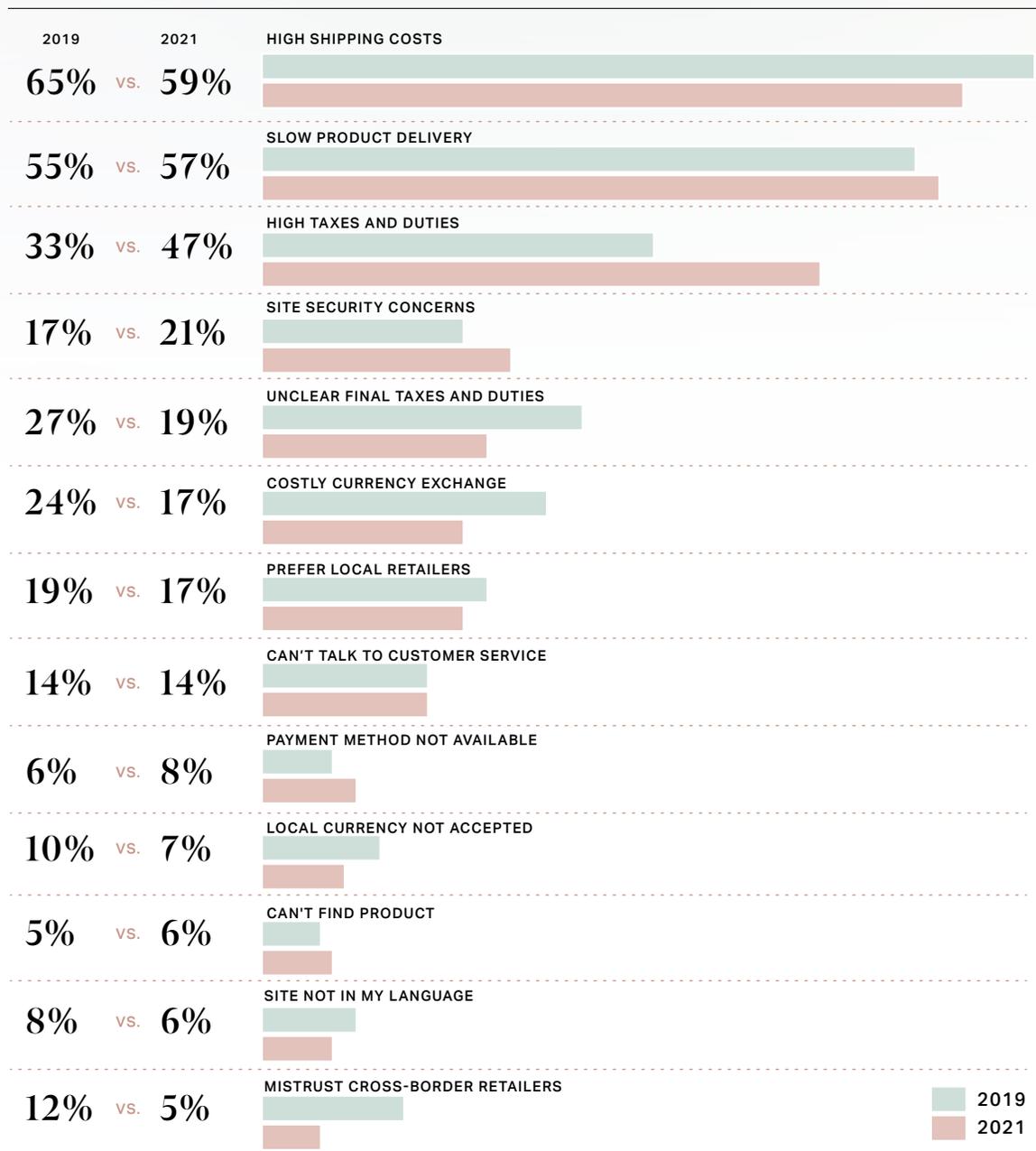


Source: Flow Commerce E-Commerce Survey, 2019 (N=385), 2021 (N=207), UK Apparel Shoppers A18-54



# Barriers to Cross-Border Shopping

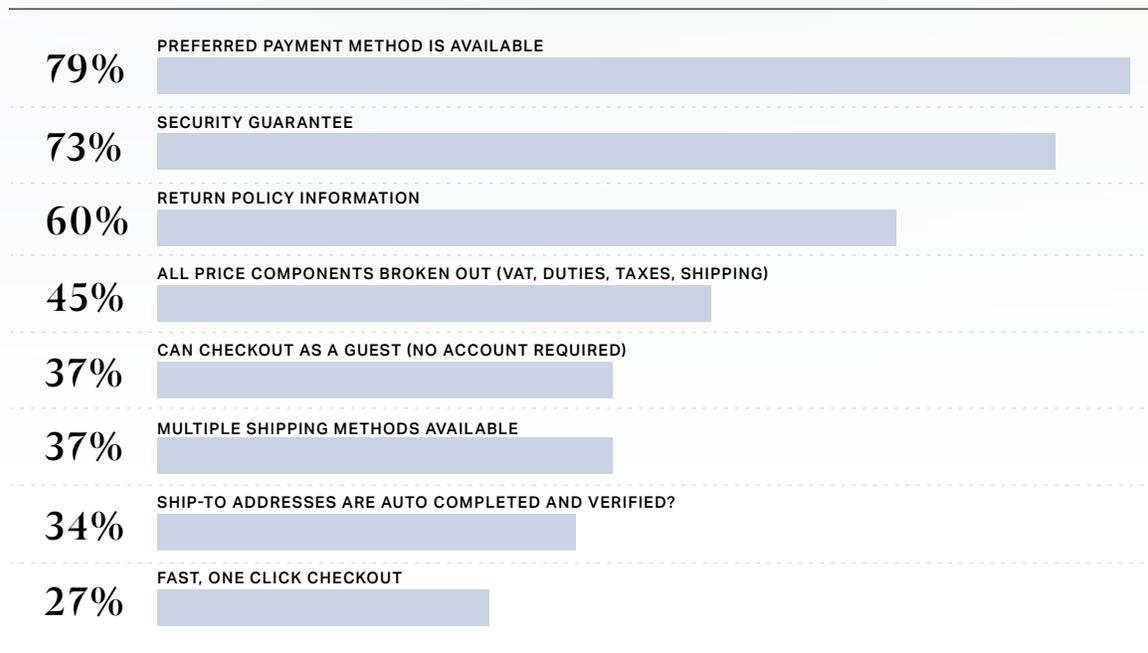
High shipping costs, slow product delivery and high taxes remained barriers to cross-border shopping, similar to 2019. Not surprisingly, high taxes and duties as a key barrier to shopping more cross border showed a significant increase versus data from 2019 (+14pt).



Source: Flow Commerce E-Commerce Survey, 2019 (N=256), 2021 (N=155), UK Apparel Shoppers A18-54 who shop cross-border

# Factors Influencing Online Shopping

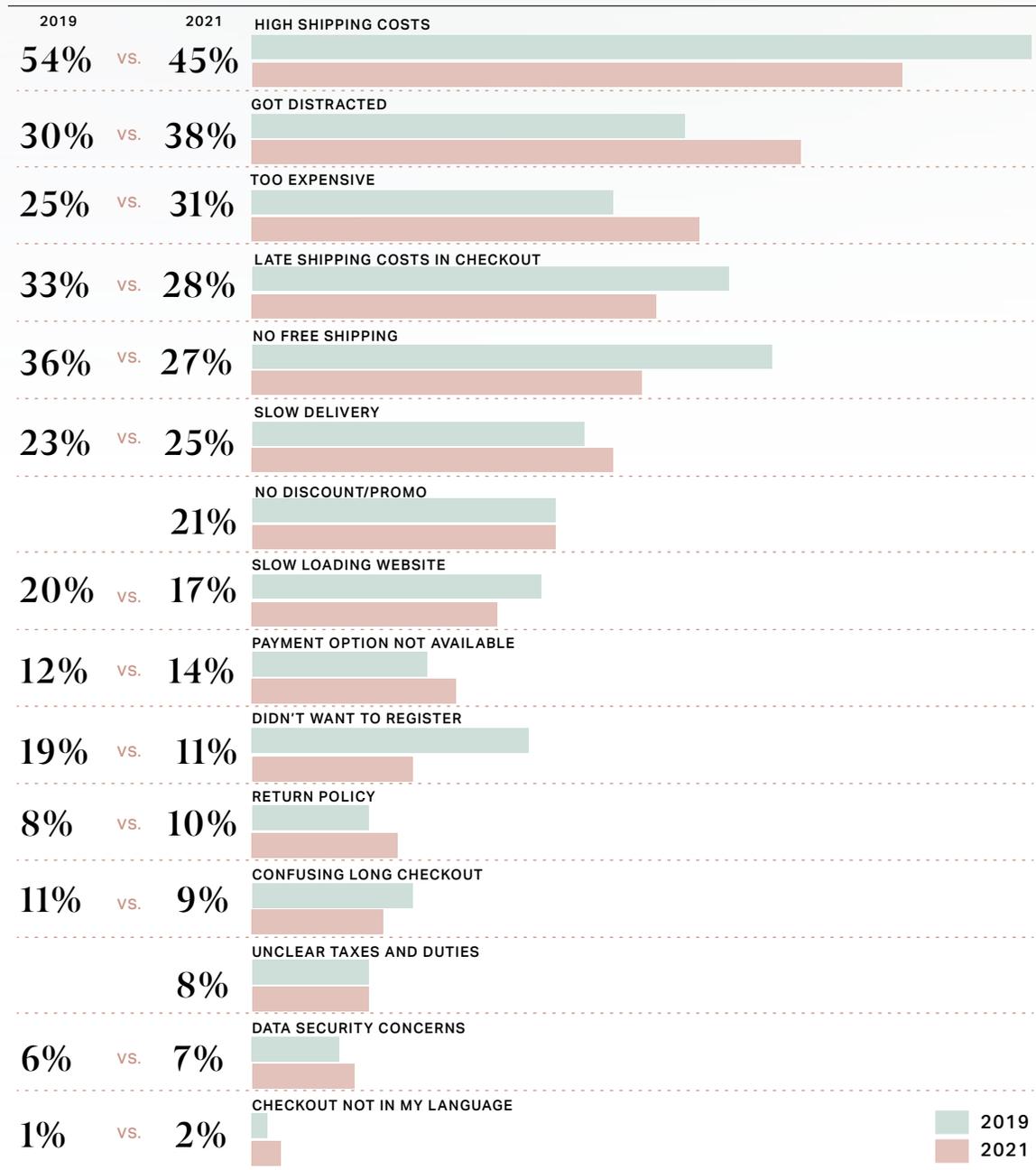
Next, we asked UK shoppers to rate the importance of various factors when purchasing online, from return policy to shipping methods and one-click checkout. Overall, payment methods and site security and return policy ranked in the top 3 as “very important” when making a purchase online (79%, 73% and 60% respectively).



Source: Flow Commerce E-Commerce Survey, 2021 (N=207), UK Apparel Shoppers A18-54, % shows “Very Important”

# Shopping Cart Abandonment Patterns

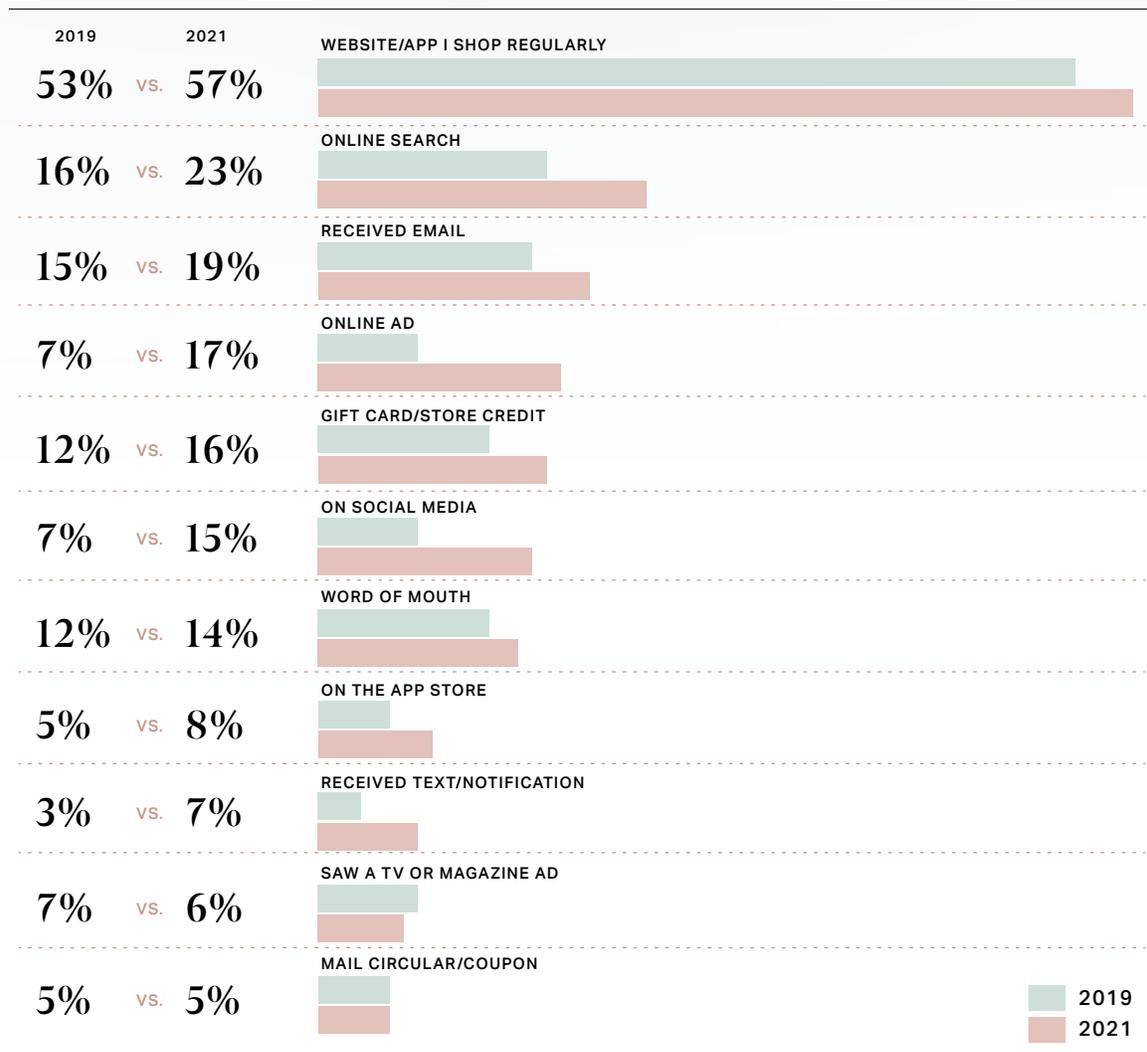
When prompted about shopping cart abandonment, 84% of UK shoppers mentioned they did so at a similar rate compared to 2019 (85%). Primary reasons for abandoning shopping carts ranged from high shipping costs (45%), to getting distracted (38%), expensive prices (31%), high shipping costs communicated too late in checkout (28%) and lack of free shipping (27%). In terms of trends, concerns regarding shipping costs and free shipping declined significantly vs. 2019 (-9pt each)



Flow Commerce E-Commerce Survey, 2019 (N=328), 2021 (N=173), UK Apparel Shoppers A18-54 who abandoned their shopping cart

# Marketing Channels

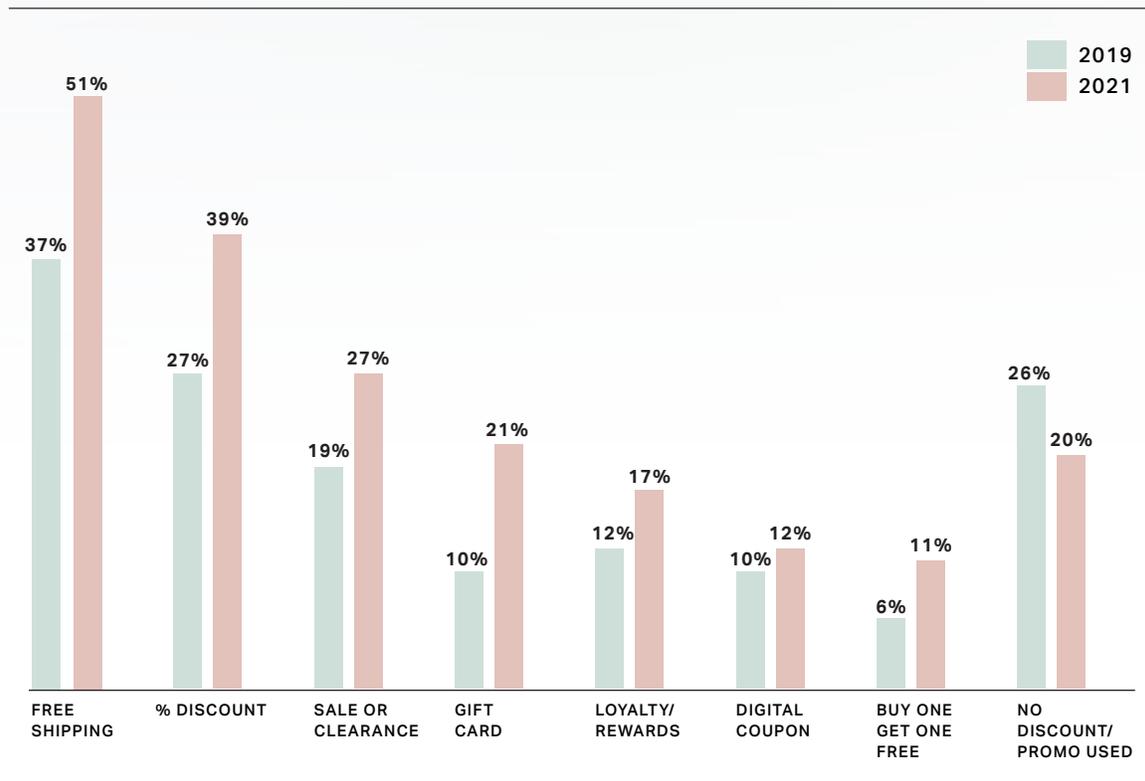
Similar to findings in 2019, online search, email and online advertising remained top 3 influences to driving retail visits among UK shoppers. Additionally, Social media showed a significant increase vs. 2019 (+8pt), especially among Women (+11pt) and ages 18-34 (+10pt). Traditional channels such as TV/Print and mail coupon/circular were cited by a few respondents with no demographic skews.



Flow Commerce E-Commerce Survey, 2019 (N=385), 2021 (N=207), UK Apparel Shoppers A18-54

# Onsite Promotions

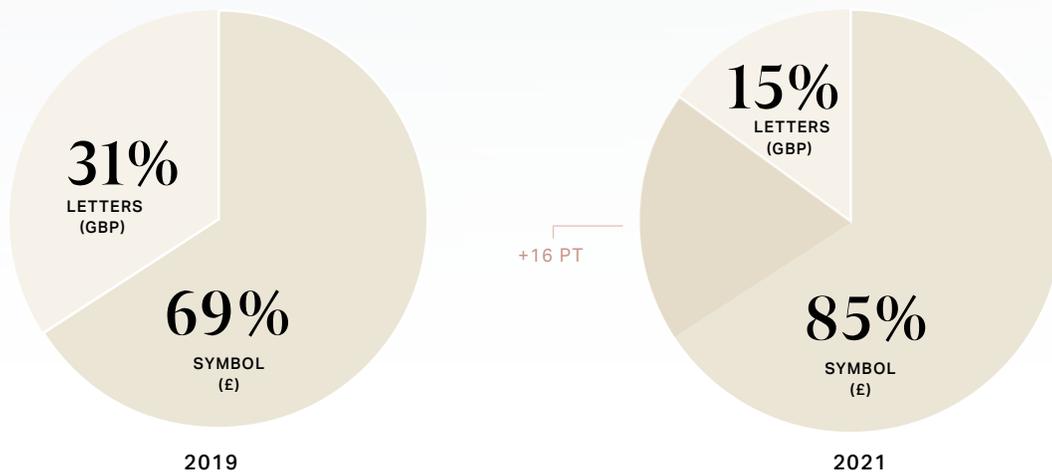
Looking at onsite promotions, UK shoppers showed increased propensity to use free shipping, % discount and sale/clearance vs. 2019 (+14pt, +12pt and +8pt). Only 1-in-5 UK shoppers reported not using any discount/promo while shopping online.



Source: Flow Commerce E-Commerce Survey, 2019 (N=385), 2021 (N=207), UK Apparel Shoppers A18-54

# Local Currency Display and Price Rounding

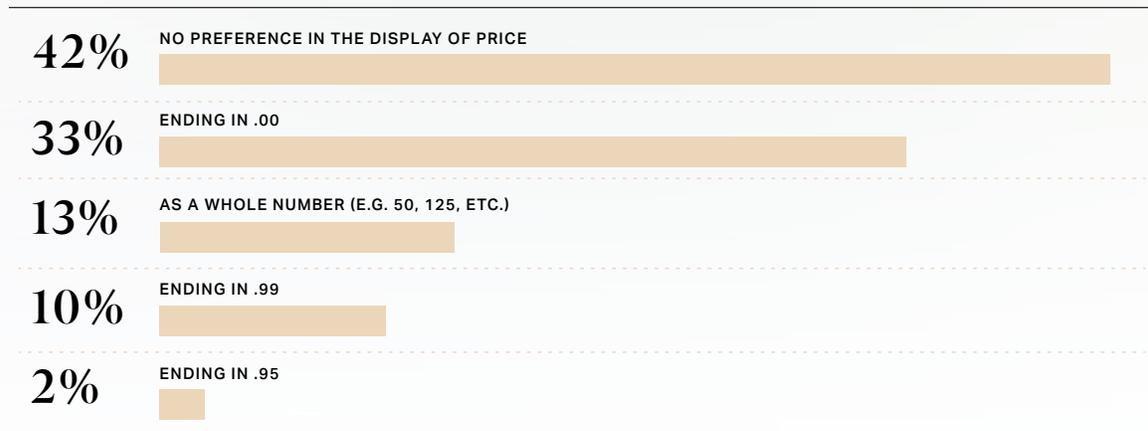
We asked UK shoppers about checkout preferences, including currency display. The overwhelming majority of UK shoppers (85%) said they preferred their currency as a symbol (£) versus being written out (GBP). This preference was even more pronounced in 2021 versus 2019 (+16pt).



Source: Flow Commerce E-Commerce Survey, 2019 (N=385), 2021 (N=207), UK Apparel Shoppers A18-54



In terms of rounding, over half of UK shoppers expressed some preference in terms of rounding prices, specifically they preferred the price ending in 0.00 (33%) or as a whole number without any decimal (13%). About two-in-five shoppers also said they had no preferences with respect to currency display (42%).

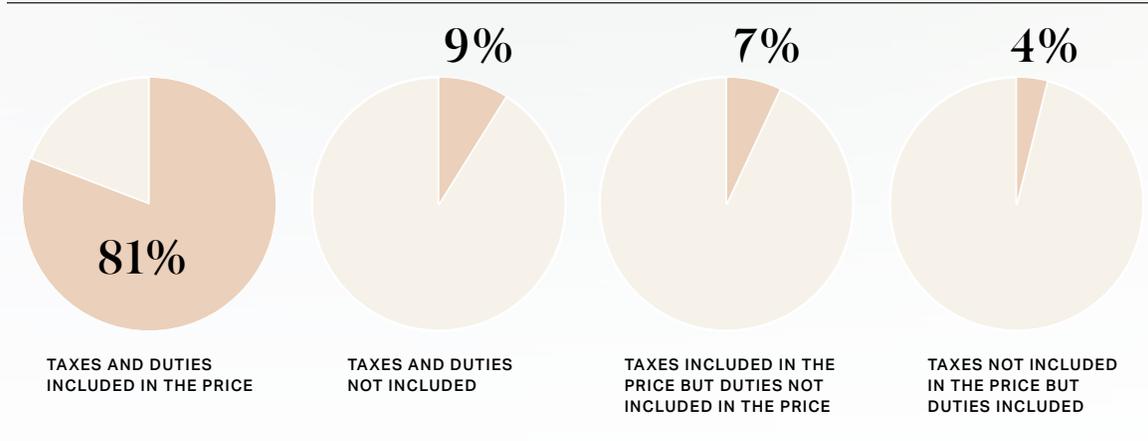


Source: Flow Commerce E-Commerce Survey, 2021 (N=207), UK Apparel Shoppers A18-54



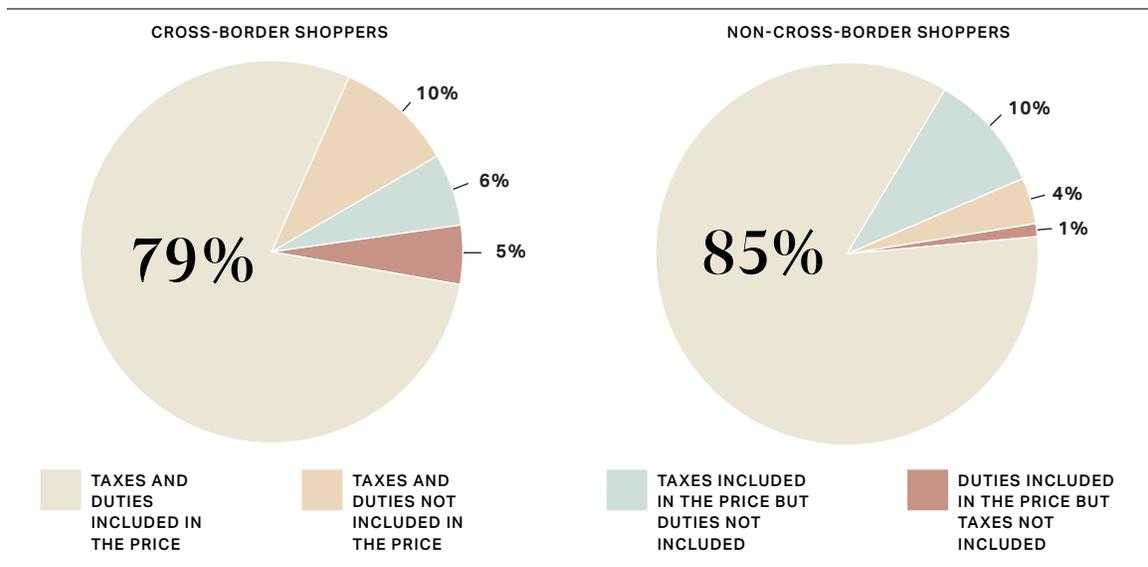
# Duties and Taxes Display

Finally, in terms of taxes and duties, UK shoppers overwhelmingly favored having both included in the final price (81%). This is similar to the findings from 2019.



Source: Flow Commerce E-Commerce Survey, 2021 (N=207), UK Apparel Shoppers A18-54

Additionally, there were no statistically significant differences between cross-border shoppers and non-cross-border shoppers when looking at their preferences for the display of taxes and duties.

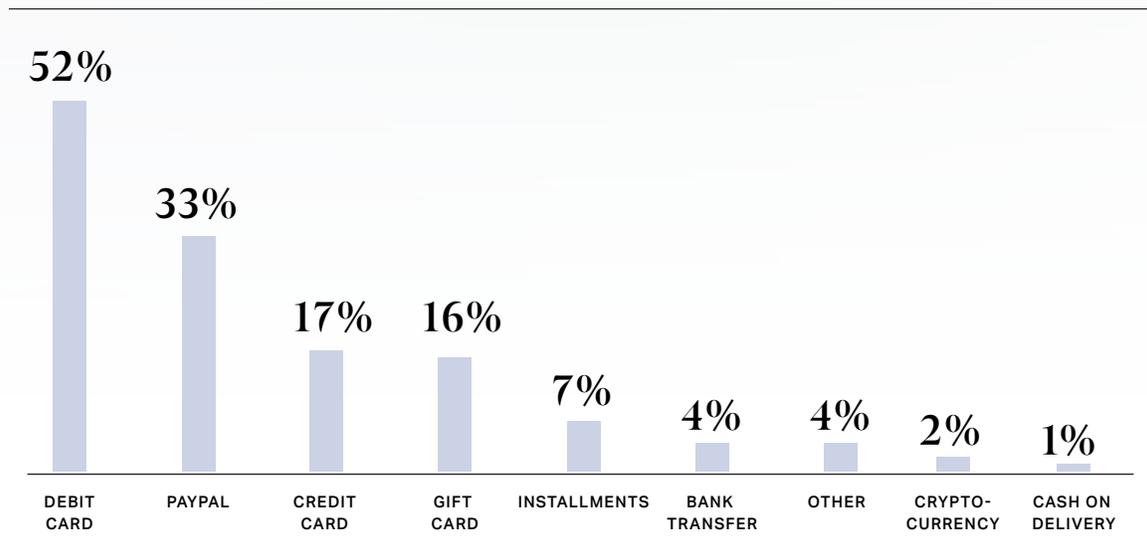


Flow Commerce E-Commerce Survey, 2021 (N=155 - Cross Border Shoppers, N=52 - Not Cross Border Shoppers), UK Apparel Shoppers A18-54

# Preferred Payment Methods

Overall, ranking of payment methods among UK shoppers was fairly consistent vs. 2019 results.

Over half of shoppers said they used debit cards (52%) with another one-third mentioning Paypal (33%). Fewer than 10% also stated using installments (7%), bank transfer (4%) and even cryptocurrency (2%).



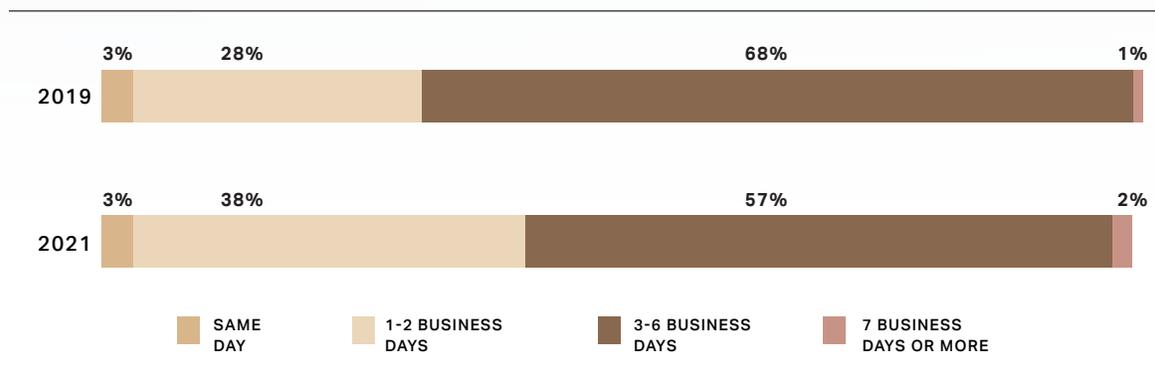
Source: Flow Commerce E-Commerce Survey, 2021 (N=207), UK Apparel Shoppers A18-54

Preference for payment methods were consistent across demographics, with exception of usage of credit cards, cryptocurrency and Installments. Credit cards (28%) were favored by Higher Income Households (£55K+) as well as A35-44. Both installments (10%) and cryptocurrency (7%) were more prevalent among Medium Income households (i.e. £35K-55K).

# Shipping Expectations

When 2021 UK respondents were asked about delivery windows for free shipping, they said that they expect their orders to arrive more quickly than the respondents in 2019. In fact, 2 in 5 UK shoppers (41%) said they expected their items to arrive within 2 business days (includes same day delivery), which was significantly higher than responses in our 2019 survey (+10 pt, or 31%).

This change in expectation for shorter free shipping delivery windows is surprising, given the disruptions to shipping and logistics networks that occurred during the height of the pandemic. This shift could suggest consumers are optimistic that shipping services are going back to normal, and could be even faster in the future.



Source: Flow Commerce E-Commerce Survey, 2019 (N=385), 2021 (N=207), UK Apparel Shoppers A18-54

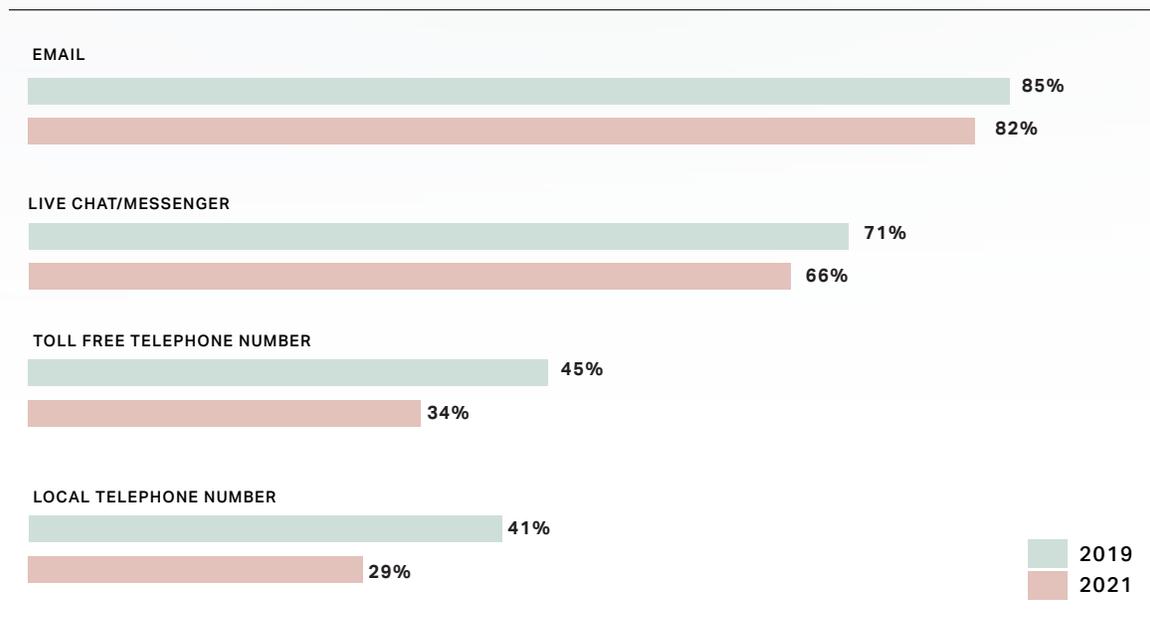
# 57%

of UK shoppers mentioned that 3-6 days for free shipping was an acceptable amount of time.

# Customer Service Expectations

In terms of customer service, email still prevails as the most preferred method of customer service among UK shoppers (82%). Live chat/messenger and toll free telephone rounded out the top 3, similar to 2019 results.

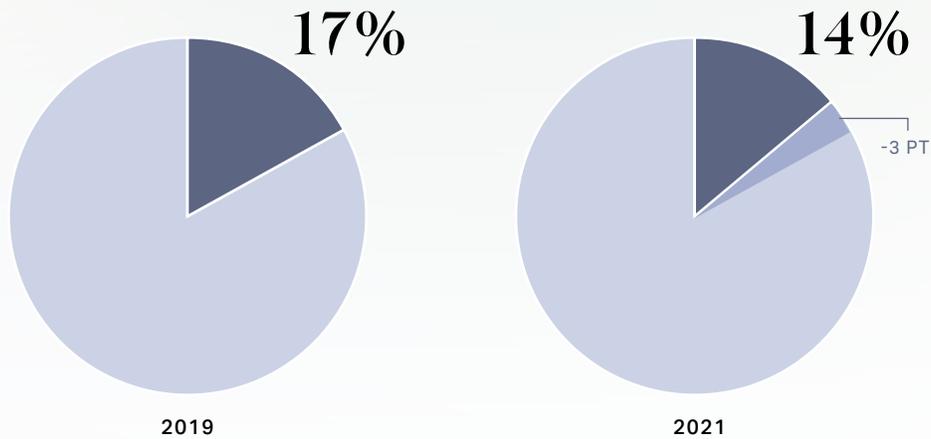
Interestingly, preference for toll free and local telephone options showed significant decline versus 2019 (-11pt and -13pt).



Source: Flow Commerce E-Commerce Survey, 2019 (N=385), 2021 (N=207), UK Apparel Shoppers A18-54

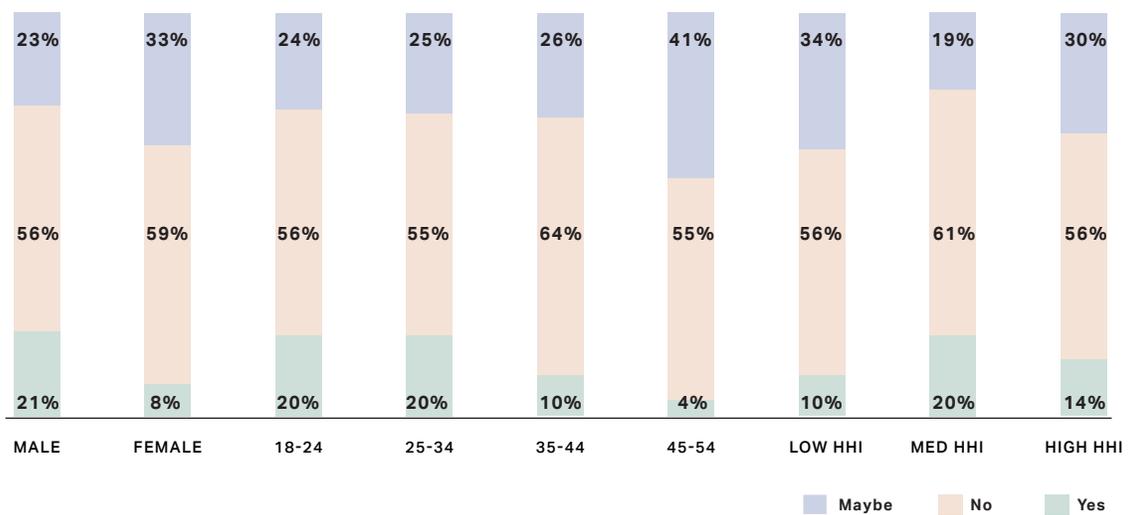


Similar to trends seen in 2019, very few UK shoppers said they were willing to pay for returns (14%).



Source: Flow Commerce E-Commerce Survey, 2019 (N=385), 2021 (N=207), UK Apparel Shoppers A18-54

Looking across demographics, Men and A18-34 were significantly more likely than other segments to say they would be willing to pay (21% and 20% each).

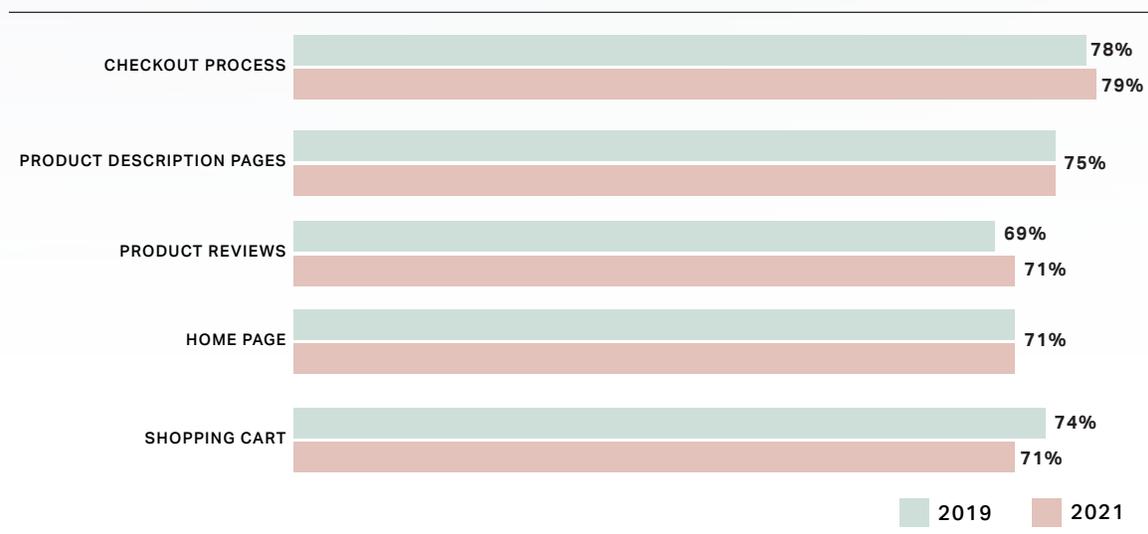


Source: Flow Commerce E-Commerce Survey, 2021 (N=207), UK Apparel Shoppers A18-54

# Localized Language

UK shoppers also showed high preference for localized language in all aspects of a retailer's website. In fact, 7 in 10 UK shoppers (71%) mentioned they would be unlikely to buy from a retailer website that is not in English. When prompted about specific areas of the website, UK shoppers want to see all aspects of the website localized, especially checkout and product descriptions.

These findings were consistent with the results in our 2019 survey.



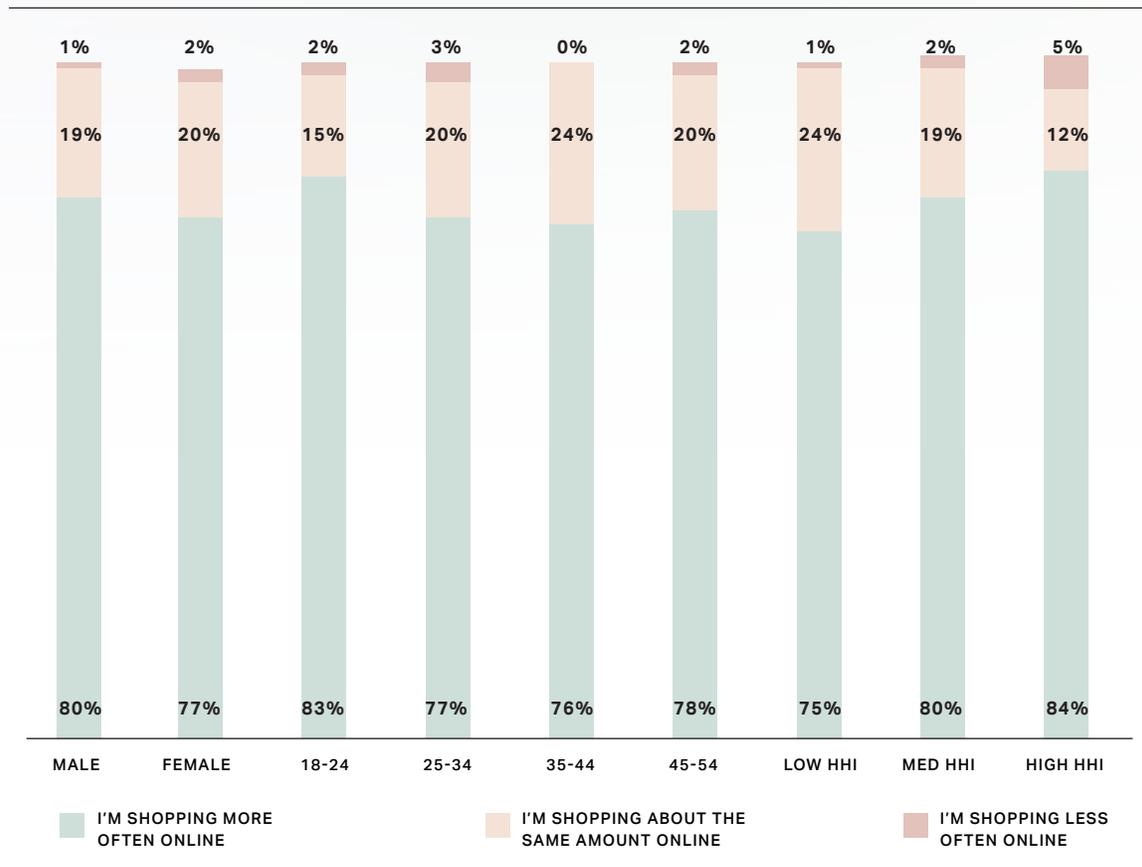
Source: Flow Commerce E-Commerce Survey, 2019 (N=385), 2021 (N=207), UK Apparel Shoppers A18-54

# 71%

of UK shoppers mentioned they would be unlikely to buy from a retailer website that is not in English.

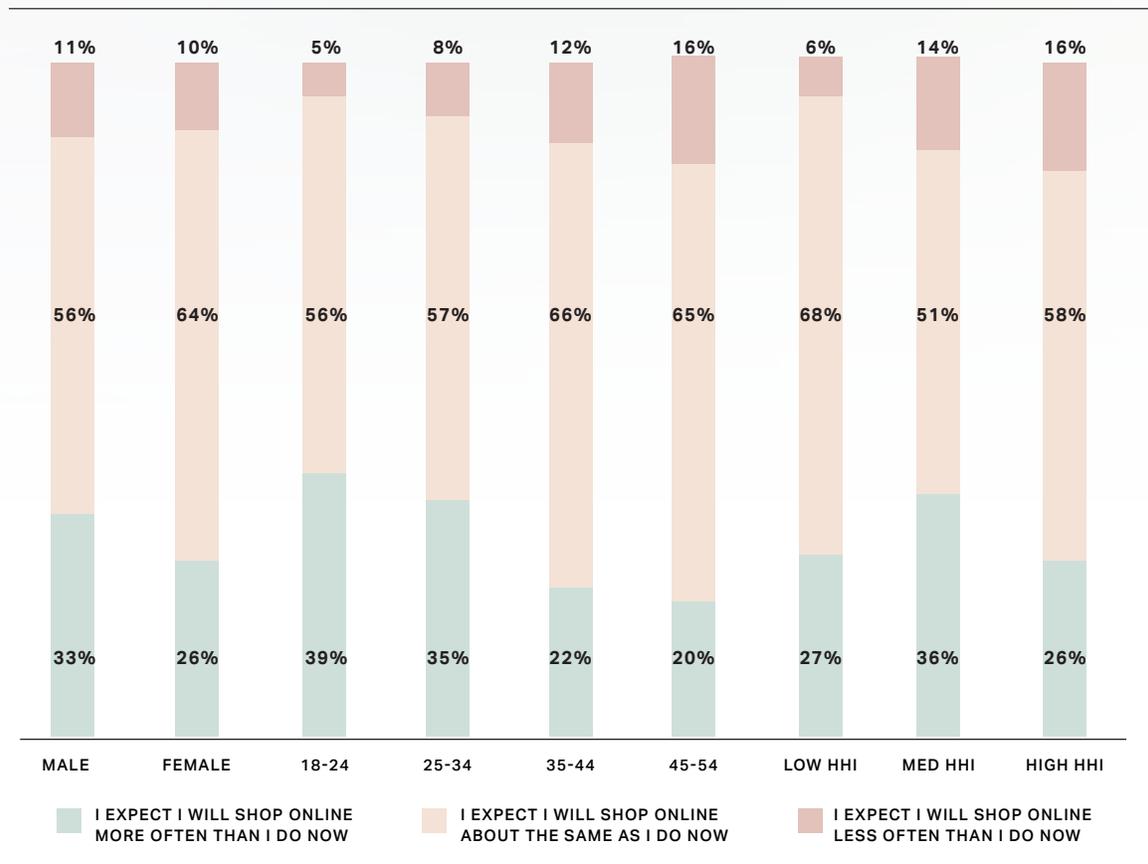
# Pandemic Impact and Future State

Lastly, we asked respondents how the pandemic impacted their shopping behavior online. Overall, the majority of UK shoppers said they were shopping online more often as a result of the pandemic (78%). This was consistent across all demographics surveyed.



Source: Flow Commerce E-Commerce Survey, 2021 (N=207), UK Apparel Shoppers A18-54

Looking ahead, we asked UK shoppers how much they expected to shop online over the next year and most agreed they expected to shop about the same as they did now. However, across demographic groups, younger consumers (A18-24) were twice as likely to say they expected to shop more often than A45-54 (39% vs 20%).



Source: Flow Commerce E-Commerce Survey, 2021 (N=207), UK Apparel Shoppers A18-54

# What's Next?

The results of this study revealed important implications for cross-border retailers.

- The UK market has distinct shopper profiles and concerns that need to be addressed in a customized fashion through website localization.
  - » This level of customization includes:
    - > Understanding cross-border barriers, factors influencing online shopping and cart abandonment factors.
    - > Exploring marketing channels that drive the most traffic and preferred promotions
    - > Tailoring the variables across the customer journey to match shoppers' expectations (duties and tax display, preferred local payments, shipping and customer service expectations, etc.)

Flow empowers businesses to market, sell and ship to online consumers globally, enabling consumers anywhere to have easy local shopping experiences. For more information, visit [www.flow.io](http://www.flow.io).

# Research Methodology

- The international study included 28 questions related to consumer attitudes and behavior toward e-commerce. Each market had a total of 385 respondents, which were defined as adults 18-54 who shopped for a variety of products online in the past year.\* The sample was then filtered by apparel shopping to be trended versus 2019 resulting in 207 respondents for the UK. All data was analyzed and reported at 95% confidence level. Survey questions covered 5 major areas:
  - » Cross-border shopping behaviors (e.g., categories, barriers, expectations, etc.)
  - » General shopping behaviors (e.g., promotions used, retailer selection, etc.)
  - » Customer service and shipping (e.g., delivery windows, free shipping, etc.)
  - » Retail website user experience and checkout preferences (e.g., currency, payment, etc.)
  - » Pandemic impact (e.g., frequency of shopping, shipping window, etc.)

*\*Product categories purchased include: apparel, shoes, jewelry, beauty, consumer electronics, sporting-outdoor equipment, toys-hobbies, home decoration and furnishings*



# FLOW

## SIMPLY GO GLOBAL

Flow's technology is the powerful solution preferred by growing brands to accelerate and optimize their global expansion and drive cross-border sales in over 200 countries worldwide. Merchants across the globe, such as MZ Wallace, Charles & Colvard, and Outerknown, trust Flow to drive increased cross-border revenue by localizing shopping experiences and optimizing conversions. Founded in 2015, Flow is based in Hoboken, NJ with a globally distributed workforce and additional offices in Dublin.

To learn more about how to boost conversions on your cross-border e-commerce website, contact us today at [hello@flow.io](mailto:hello@flow.io) and speak with a Flow expert.

**For more information, visit [www.flow.io](http://www.flow.io).**

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